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C 39MILK MARKET INFORMATION BULLETIN
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Federal Order No. 90, 5916 Brainerd Road, Chattanooga, Tennessee 37411
J. B. McCroskey, Market Administrator

MILK BASE NOTICE

July is the last month producers will be paid on Base and Excess milk during the year 1965. August and February are so-called "free" months during which producers are neither making or using milk bases. During the 7 months period of August through February payment for producer milk is made at a weighted average (blend) price. This blend price varies from month to month dependent upon the amount of milk used in each class and the price of each class. Bases to be used during March through July 1966 will be calculated from milk deliveries beginning with September 1, 1965 through January 31, 1966. A base is assigned to the producer name (payroll account) as reported by the handler receiving the milk. Producers, especially partnerships, are urged to see that their account (pay check) name is correctly listed with the handler and with the Market Administrator's office.

MARKET SUMMARY - JULY 1965

The Order MINIMUM uniform producer prices per cwt. f.o.b. pool plants for milk testing 3.5% are: Base Milk \$4.62, Excess Milk \$2.62. The butterfat differential is 7.4 cents for each one-tenth of one percent above or below 3.5%. It is understood the Chattanooga Area Milk Producers Association will pay a 29 cent premium on Base Milk deliveries or \$4.91 per cwt.

During July 77.1% of the total producer milk was priced in Class I at \$4.95 per cwt. with a butterfat differential of 7.7 cents and 22.9% priced in Class II at \$2.66 per cwt. with a butterfat differential of 6.8 cents. The daily average use of Gross Class I increased 5.1% compared with June 1965 and increased 4.9% compared with July 1964.

The daily average producer deliveries was 595,861 pounds in July 1965, a decrease of 9,036 pounds per day compared with June 1965 and an increase of 59,102 pounds compared with July 1964. Percentage-wise, July deliveries decreased 1.5% compared with June 1965 and increased 11.0% compared with July 1964. Base milk was 89.1% and excess milk was 10.9% of the total producer deliveries. All excess milk and 13.5% of base milk was priced in Class II at \$2.66 per cwt. and 86.5% of base milk was priced in Class I at \$4.95 per cwt.

LABORATORY ACTIVITIES - Producer Fresh Milk Tests 5,839 - Handler Products 241.

Reports from the following pool plants were included in the determination of the uniform producer base and excess price for July 1965:

Chattanooga Area Milk Producers Assn.
Grant-Patten Milk Co., Inc.
Happy Valley Farms, Inc.
Home Stores, Inc.

Mayfield Dairy Farms, Inc.
Ray Moss Farms, Inc.
Paramount Dairies, Inc.
Sealtest Foods-Southern Division

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	% July '65 Over July '64	July 1965	June 1965	July 1964
Number of Plants (Pool and Non-Pool)		11	12	13
<u>GROSS RECEIPTS POUNDS (DAILY AVERAGE)</u>				
Producer Milk - Base	+ 11.4	531,137	540,916	476,599
- Excess	+ 7.6	64,724	63,981	60,160
- Total	+ 11.0	595,861	604,897	536,759
Other Source	+ 39.0	25,735	23,647	18,512
Other Federal Orders	+ 20.6	24,361	37,560	20,205
Total Milk Receipts	+ 12.2	645,957	666,104	575,476
<u>GROSS UTILIZATION POUNDS (DAILY AVERAGE)</u>				
Class I Uses:				
Fluid Milk	+ 4.5	383,515	365,468	367,059
Fluid Skim	- 4.7	21,344	21,061	22,389
Buttermilk	- 3.8	42,810	42,755	44,502
Flavored Milk and Drink	+ 4.9	14,356	12,745	13,679
Fluid Cream (Sweet and Sour)	+ 1.1	2,773	2,700	2,744
Other (Shrinkage, Inventory, etc.)		5,340	3,820	(527)
Transfers to Non-Pool Plants		1,743	313	-
Total Class I Milk	+ 4.9	471,881	448,862	449,846
Class II Uses:				
Ice Cream Mixes		59,106	53,381	43,547
Cottage Cheese		20,469	19,845	23,725
Powdered and Condensed Milk		46,981	78,371	36,920
Livestock Feed and Skim Dumped		6,073	6,451	6,712
Shrinkage Class II		11,483	10,471	8,163
Other (Butter, Inventory, etc.)		(18,487)	3,178	(2,010)
Transfers to Non-Pool Plants		48,451	45,545	8,573
Total Class II Milk	+ 38.6	174,076	217,242	125,630
Class I Pounds in Marketing Area	+ 6.6	286,245	267,712	268,469
Class I Pounds Outside Marketing Area	+ 2.3	185,636	181,150	181,377
Gross Class I Butterfat Pounds	+ 4.7	16,725	16,072	15,980
Gross Class II Butterfat Pounds	+ 31.9	7,679	9,204	5,821
Total Butterfat Pounds	+ 11.9	24,404	25,276	21,801
% Producer Milk of Gross Class I		126.3	134.8	119.3
% Producer Milk priced in Class I		77.1	72.2	83.1

AUGUST 1965 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	Aug. '65	July '65	Aug. '64
Basic Formula	\$3.21	\$3.20	\$3.12
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	0.00	0.00	0.18
Class I Price, 3.5% Butterfat	\$4.96	\$4.95	\$5.05
Per \$1090.51(a)			
Supply-Demand Comparison: 1st and 2nd preceding months: June and July			
Supply: Lbs. Producer Milk (June 18,146,911 and July 18,471,696)			36,618,607
Demand: Lbs. Net Class I Milk (June 13,358,593 and July 14,557,473)			27,916,066
Utilization Percentage: Producer milk divided by Class I			131
Standard Utilization Percentage: Range 128-132			131
Net Deviation Percentage: Utilization minus Standard Utilization			-0-
Supply-Demand Adjustment: 2 cents x 0 percentage points			\$0.00

The price is not adjusted by the supply-demand formula, since the supply in relation to the demand is within the standard utilization range of 128-132.

COMPUTATION OF PRODUCER UNIFORM BASE AND EXCESS PRICES
AND WEIGHTED AVERAGE PRICE

JULY 1965	Class %	Milk Pounds	Butterfat Test - %	Cwt.Price @ Test	Gross Value
Gross Class I		14,628,315	3.544		
Less Other Source		384,331	3.369		
Producer Milk Class I	77.1	14,243,984	3.549147	\$4.987843	\$710,467.56
Gross Class II		5,396,357	4.411		
Less Other Source		1,168,645	2.141		
Producer Milk Class II	22.9	4,227,712	5.038825	3.706401	156,695.96
TOTAL PRODUCER MILK (Cl.I + Cl.II)	100.0	18,471,696	3.890008		\$867,163.52
Add Fractional Adjustment					.07
Add Value of Inventory Reclassified					48.67
Add Value of Other Source Receipts					
Prorated to Class I and Location Adj.		56,653			2,168.42
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					7,815.08
TOTAL VALUE AT TEST		18,528,349	3.884448	\$4.734344	\$877,195.76
Less Test over 3.5% @ 7.4¢ per point		18,528,349	0.384448	.284492	52,711.67
TOTAL UTILIZATION VALUE AT 3.5%		18,528,349	3.5	\$4.449852	\$824,484.09
Less Reserve Per \$1090.71(f)		18,528,349		.049852	
WEIGHTED AVERAGE PRICE @ 3.5% TEST		18,528,349		\$4.40	
Less FMP from Unregulated Supply Plants allocated to Class I @ Wt. Av. Price		56,653	3.5	\$4.40	2,492.73
TOTAL PRODUCER MILK VALUE @ 3.5% TEST		18,471,696	3.5		\$821,991.36
		Pounds	Price	Amount	
Excess Producer Milk Used in Class I		-	-	-	
Excess Producer Milk Used in Class II		2,006,445	\$2.66	\$53,371.44	
Total Value of Excess Milk		2,006,445	2.66	53,371.44	
Less Prod.-Settlement Fund Reserve @ 4¢		2,006,445	.04		802.58
UNIFORM EXCESS PRICE @ 3.5% TEST		2,006,445	2.62		\$ 52,568.86
Total Value of Base Milk		16,465,251	4.668134		768,619.92
Less Producer-Settlement Fund Reserve		16,465,251	.048134		7,925.38
UNIFORM BASE PRICE @ 3.5% TEST		16,465,251	\$4.62		\$760,694.54

JULY 1965 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)
BUTTERFAT DIFFERENTIAL 7.4¢ PER POINT (EXCLUDING PREMIUMS)

TEST %	PRICES		TEST %	PRICES		TEST %	PRICES	
	BASE	EXCESS		BASE	EXCESS		BASE	EXCESS
3.0	\$4.25	\$2.25	4.0	\$4.99	\$2.99	5.0	\$5.73	\$3.73
3.05	4.287	2.287	4.05	5.027	3.027	5.05	5.767	3.767
3.1	4.324	2.324	4.1	5.064	3.064	5.1	5.804	3.804
3.15	4.361	2.361	4.15	5.101	3.101	5.15	5.841	3.841
3.2	4.398	2.398	4.2	5.138	3.138	5.2	5.878	3.878
3.25	4.435	2.435	4.25	5.175	3.175	5.25	5.915	3.915
3.3	4.472	2.472	4.3	5.212	3.212	5.3	5.952	3.952
3.35	4.509	2.509	4.35	5.249	3.249	5.35	5.989	3.989
3.4	4.546	2.546	4.4	5.286	3.286	5.4	6.026	4.026
3.45	4.583	2.583	4.45	5.323	3.323	5.45	6.063	4.063
3.5	4.62	2.62	4.5	5.36	3.36	5.5	6.10	4.10
3.55	4.657	2.657	4.55	5.397	3.397	5.55	6.137	4.137
3.6	4.694	2.694	4.6	5.434	3.434	5.6	6.174	4.174
3.65	4.731	2.731	4.65	5.471	3.471	5.65	6.211	4.211
3.7	4.768	2.768	4.7	5.508	3.508	5.7	6.248	4.248
3.75	4.805	2.805	4.75	5.545	3.545	5.75	6.285	4.285
3.8	4.842	2.842	4.8	5.582	3.582	5.8	6.322	4.322
3.85	4.879	2.879	4.85	5.619	3.619	5.85	6.359	4.359
3.9	4.916	2.916	4.9	5.656	3.656	5.9	6.396	4.396
3.95	4.953	2.953	4.95	5.693	3.693	5.95	6.433	4.433

CHATTANOOGA ORDER MILK PRICES (3.5 PERCENT MILK)

Date	PRODUCER UNIFORM PRICES ^{1/}				HANDLER CLASS PRICES ^{1/}			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
July '64	\$4.72 ^{2/}	\$4.99	\$2.62	7.4¢	\$5.16	7.5¢	\$2.66	6.7¢
Aug.	4.51	-	-	7.2	5.05	7.5	2.66	6.8
Sept.	4.60	-	-	7.6	4.80	7.7	3.26	7.1
Oct.	4.71	-	-	7.8	4.87	8.0	3.23	7.0
Nov.	4.83	-	-	7.8	5.10	7.9	3.30	7.2
Dec.	4.75	-	-	7.8	5.10	8.1	3.18	6.8
Jan. '65	4.66	-	-	7.4	5.06	7.7	3.12	6.7
Feb.	4.59	-	-	7.2	5.00	7.5	2.80	6.7
Mar.	4.54 ^{2/}	4.67	2.73	7.2	4.97	7.5	2.77	6.7
Apr.	4.41 ^{2/}	4.63	2.69	7.2	4.97	7.5	2.73	6.8
May	4.35 ^{2/}	4.57	2.64	7.4	4.98	7.7	2.68	6.8
June	4.34 ^{2/}	4.54	2.62	7.4	5.01	7.7	2.66	6.8
July	4.40 ^{2/}	4.62	2.62	7.4	4.95	7.7	2.66	6.8
Aug.	-	-	-	-	4.96	7.7	-	-

PRICES USED IN DETERMINING CLASS PRICES AND BUTTERFAT DIFFERENTIALS

Date	CLASS II ALTERNATIVE FORMULAS \$-cwt-3.5%		PRICE QUOTATIONS			BASIC FORMULA Minn.-Wisc. Mfg.Grade Milk \$-cwt-3.5%
	4 Tenn. Milk Mfg.	Butter Powder	4 Tenn. Milk Mfg. \$-cwt-4%	Chi.92° Butter ¢ Lb.	Chi.Area Powder ¢ Lb.	
July '64	2.66	3.12	3.000	58.00	14.23	3.12
Aug.	2.66	3.19	3.000	59.51	14.30	3.15
Sept.	2.72	3.26	3.075	61.32	14.30	3.24
Oct.	2.77	3.23	3.119	60.47	14.29	3.27
Nov.	2.79	3.30	3.150	62.27	14.23	3.29
Dec.	2.81	3.18	3.150	59.24	14.20	3.29
Jan. '65	2.81	3.12	3.144	58.00	14.23	3.25
Feb.	2.80	3.12	3.138	57.99	14.27	3.22
Mar.	2.77	3.12	3.106	57.99	14.25	3.22
Apr.	2.73	3.17	3.069	58.97	14.22	3.23
May	2.68	3.17	3.025	58.97	14.28	3.22
June	2.66	3.17	3.000	58.97	14.21	3.20
July	2.66	3.17	3.000	59.00	14.24	3.21

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLER GROSS MILK ^{3/}			PRODUCER DATA ^{3/}				Deliveries Per			Prod. Milk Test
	No.	Total	Class I	Class I	Total	Base	No.	Farm- --Pounds			
	Hdlrs.	Receipt	Use	Use	Delivery	Delivery	Prod.	Prod.	Base	Exc.	
July '64	13	575,476	449,846	445,827	536,759	476,599	655	819	728	91	3.91
Aug.	13	635,915	465,231	460,229	591,239	-	685	863	-	-	3.94
Sept.	13	655,234	549,204	544,006	618,771	-	683	906	-	-	3.99
Oct.	13	611,925	542,454	537,447	579,111	-	682	849	-	-	4.24
Nov.	13	615,385	504,706	498,734	577,281	-	680	849	-	-	4.24
Dec.	12	609,740	495,937	489,893	577,526	-	681	848	-	-	4.29
Jan. '65	12	635,165	494,256	488,626	596,761	-	679	879	-	-	4.21
Feb.	12	633,273	499,105	486,765	591,241	-	676	875	-	-	4.22
Mar.	12	626,437	494,283	483,039	590,445	552,135	673	877	820	57	4.17
Apr.	12	697,689	497,938	487,481	641,997	569,848	667	963	854	109	4.02
May	12	691,934	474,782	465,221	633,014	559,253	668	948	837	111	3.91
June	12	666,104	448,862	436,505	604,897	540,916	665	910	813	97	3.91
July	11	645,957	471,881	459,483	595,861	531,137	663	899	801	98	3.89

^{1/} Excludes Premiums^{2/} Weighted Average Price^{3/} Other Source is Gross minus Producer; Class II is Receipts minus Class I